Report of the Economic Depression Enquiry Committee.

12. **MR. O. M. THOMAS** (*Kottayam*): Will the Government be pleased to state:

(*a*) whether they have called for an "interim" report from the Economic Depression Enquiry Committee;

(*b*) whether any instructions have been issued to the Committee to speed up the publication of the report in view of the urgency of the problem; and

(*c*) if not, why not?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*): (*a*) The answer is in the negative.

(*b*) Yes.

(*c*) The question does not arise in view of the answer to part (*b*).

MR. O. M. THOMAS (*Kottayam*): With regard to the answer to part (*b*) of the question, will the member be pleased to say whether the instructions referred to were oral or written?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*): They were written instructions.

MR. O. M. THOMAS (*Kottayam*): When were they issued?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*): The instructions were conveyed by the G. O. appointing the Committee.

MR. O. M. THOMAS (*Kottayam*): May I know the approximate date on which these instructions were issued?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*): They were issued along with the G. O. and the committee was asked not to exceed the time allowed.

Interim Report of the Economic Depression Enquiry Committee.

13. **MR. A. THANU PILLAI** (*Trivandrum*): Will the Government be pleased to state:

(*a*) whether the Economic Depression Enquiry Committee has submitted any interim proposals for their immediate consideration; and

(*b*) if so, what those proposals are and what action the Government have taken on them?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*): (*a*) Yes.

(*b*) The Committee's proposal and the Government Order thereon are contained in G. O. R. O. C. No. 2764/31/Rev., dated the 14th July 1931, copy* of which is laid on the table.

MR. A. THANU PILLAI (*Trivandrum*): May I know whether Government have also received other proposals from the Committee?

DEPUTY PRESIDENT: I do not follow you Mr. Thanu Pillai. The main question relates to the Economic Depression Enquiry Committee. What is it that you want to know now?

MR. A. THANU PILLAI (*Trivandrum*): My question is whether the Committee has submitted an interim report?

**Vide* Appendix.

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DEPUTY PRESIDENT : That has been answered.

MR. A. THANU PILLAI (*Trivandrum*) : I also wish to know whether that is the only proposal that the Government have received from the Committee?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*) : Lately the Committee has forwarded a number of resolutions and the President says that the report of the Committee will be based on these resolutions.

MR. A. THANU PILLAI (*Trivandrum*) : May I know whether ary action has been taken on those resolutions?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*) : No action has been taken. It is under consideration pending receipt of the final report of the Committee.

MR. A. THANU PILLAI (*Trivandrum*) : May I know on what information the statement is made in the G. O. that " the Pattadars generally are well able even at the reduced prices of agricultural products to meet this first charge," *viz.*, to pay land tax ?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*) : That is based upon the report of the Land Revenue Commissioner.

MR. A. THANU PILLAI (*Trivandrum*) : Am I to understand from this statement that the economic depression has not affected the Pattadars ?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*) : It has affected them, but not to such an extent as to make them unable to pay tax. That is all what is meant.

MR. A. THANU PILLAI (*Trivandrum*) ; Is it meant that the Pattadars do not find any difficulty in paying the tax ?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*) : They do find it difficult sometimes and we are granting concessions as far as possible.

MR. A. THANU PILLAI (*Trivandrum*) : I wish to know what is the basis of the statement that the Pattadars are generally well able to pay the tax ?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*) : They are able to pay the tax provided a little time is allowed.

MR. A. THANU PILLAI (*Trivandrum*) : Do they not stand in need of help ?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*) : They do stand in need of help and we are helping them as far as possible.

MR. A. THANU PILLAI (*Trivandrum*) : Why should Government help them if they are well able to pay the tax ?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*) : Generally they are able to pay the tax. That is all. Not in all cases. That also the member will find from the appendix.

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MR. A. THANU PILLAI (*Trivandrum*): Is it the view of the Government that the Pattadars generally do not stand in need of help. I wish to have that point made clear because it would appear from the statement that they do not stand in need of any help at all?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*): That is what the Land Revenue Commissioner says.

MR. A. THANU PILLAI (*Trivandrum*): I am not concerned with the Land Revenue Commissioner. I wish to know whether it is the view of the Government?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*): Government more or less accept the opinion of the land Revenue Commissioner.

MR. A. THANU PILLAI (*Trivandrum*): May I take it that the Government are of the opinion that the Pattadars do not stand in need of any help?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*): The Pattadars generally do not stand in need of help as I said before; and as will be seen from the appendix, Government have issued instructions to the Land Revenue Commissioner to grant all possible concessions in suitable cases.

MR. A. THANU PILLAI (*Trivandrum*): As for that I am not able to see what concessions have been granted.

MR. C. O. MADHAVAN (*Ag. Secretary to Government*): The member will see from the appendix that Government are alive to the fact that there may be cases in which not unwillingness but sheer inability to pay may be the cause of default and that such persons may pay up if given time to find the money. Hence with a view to avoid undue hardships to the ryots Government have decided to grant certain concessions.

MR. A. THANU PILLAI (*Trivandrum*): May I know who is to ascertain the inability or the unwillingness of the agriculturists to pay tax?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*): The officers of the Revenue Department who have directly to deal with the agriculturists.

MR. A. THANU PILLAI (*Trivandrum*): Is it the local Proverthikar?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*): The Proverthikar and the Tahsildar, under the orders of the Dewan Peishkar.

Census Commissioner and his establishment.

14. **MR. O. M. THOMAS** (*Kottayam*): Will the Government be pleased to state:

(*a*) whether the office and establishment of the Census Commissioner have ceased to exist;

(*b*) if so, from what date; and

(*c*) if not, the probable date on which these will cease?

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MR. K. KUNJUKRISHNA PILLAI (*Quilon*) : May I know what is the latest figure of per capita expenditure on account of co-operation in Travancore?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*) : It was 3 annas 7 pies last year, that is 1105.

MR. K. KUNJUKRISHNA PILLAI (*Quilon*) : Arising from the answer given, may I know whether Government feel satisfied with the money they spend on the Co-operative movement?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*): Government feel satisfied.

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): Then, that is all right!

Orders on the Royal Tree Committee.

18. **MR. TARIATU KUNJITOMMAN** (*Commerce and Industry, North*) : Will the Government be pleased to state what orders they have passed on the report of the Royal Tree Committee?

MR. C. O. MADHAVAN (*Ag. Secretary to Government*) : Orders on the report of the Royal Tree Committee have not been passed. The subject is under correspondence with the Conservator of Forests.

Appendix.

***Vide* Answer to Question No. 13.**

Proceedings of the Government of Her Highness the Maha Rani Regent of Travancore.

Read :

(1) Letter No. 74/1, dated the 29th May 1931, from the President of the Economic Depression Enquiry Committee.

(2) Letter No. 2764/31/Rev., dated the 9th June 1931, to the Land Revenue and Income-Tax Commissioner.

(3) Letter C. No. 1897 of 1931/L. R., dated the 4th July 1931, from the Land Revenue and Income-Tax Commissioner.

With his letter read above, the President, Economic Depression Enquiry Committee, has forwarded copy of a resolution passed at the preliminary meeting of the Committee held on the 19th May 1931 recommending to Government that coercive action against non-payment of land tax for the current year be held in abeyance.

This resolution was forwarded to the Land Revenue and Income-Tax Commissioner for enquiry and report. His report is contained in his letter dated the 4th July 1931, read above. The Land Revenue and Income-Tax Commissioner has forwarded for the information of Government the observations of the Division Peishkars and the Tahsildars in the State on the subject.

Order thereon R. O. C. No. 2764/31/Revenue,
dated, Trivandrum, 14th July 1931.

Government have carefully perused the reports of the several Land Revenue Officers on the subject of the resolution passed by the Committee. Government fully appreciate the anxiety of the Committee to

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relieve the economic distress of the agriculturists consequent on the serious fall in the prices of agricultural commodities in the State. It is however the opinion of the Land Revenue Commissioner himself, as well as of the Dewan Peishkars, the Devicolam Commissioner and a large majority of the Tahsildars that it is not necessary at present absolutely to hold in abeyance coercive steps under the Revenue Recovery Regulation for the realisation of land tax from *pattadars* who do not pay them. The Land Revenue Commissioner points out that the prices have not fallen below the prices that obtained in the country at the time of the last Revenue Settlement on the basis of which taxes on land were imposed. The price of paddy has not gone below 3 fanams per para or that of cocoanuts below 10 fanams per hundred. The commutation rate of the Settlement tax on Pandaravagai wet land is only $7\frac{1}{4}$ Chs. per para of paddy in the Quilon, Kottayam and Devicolam Divisions and only $8\frac{1}{2}$ Chs. per para in the Trivandrum Division and while the average annual yield from a cocoanut tree may be fixed at forty nuts, the average tax on a cocoanut tree is only two and a half chuckrams. No doubt, owing to the rise in the standard of living and the fact that wages of labour have not fallen proportionately to the fall in prices, the margin of profit in the hands of the people is less than what it used to be. But the land tax is the first charge on lands and the Commissioner points out that the *pattadars* generally are well able even at the reduced prices of agricultural products to meet this first charge. Accordingly, the Land Revenue Commissioner is of opinion that the plea that, owing to the fall in prices, the *pattadars* find it impossible to pay these taxes, is rather exaggerated. There are also one or two other aspects which call for consideration in connection with this question. In the first place, if coercive steps to realise the tax from defaulters are held in abeyance, not a single *pattadar* is likely to pay his tax before the end of the year and even those who can well afford to pay will become defaulters. Secondly, postponement of payment of tax will not be an unmixed blessing to the ryots as they will then have to pay two years' tax next year which will entail considerable difficulties even if the economic conditions improve. Taking all the above aspects of the matter into consideration, Government agree with the view of the officers of the Land Revenue Department that there is no need at present to order a complete suspension of all coercive action for the collection of tax. They are, however, alive to the fact that there may be cases in which not unwillingness but sheer inability to pay may be the cause of default and that such persons may pay up if given time to find the money. Hence, with a view to avoid undue hardship to the ryots, Government have decided to grant the following concessions :—

1. In the case of those who pay their dues before the end of the year, demand notice fees will not be recovered.

2. The Dewan Peishkars will be instructed to give extension of time for payment of tax until the end of the year in deserving cases and to resort to coercive measures only after the expiry of the extended period.

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The Land Revenue Commissioner will issue the necessary instructions in the matter immediately. It will be seen that Government have by these measures largely carried out the spirit of the resolution of the Economic Depression Enquiry Committee.

By order,
(Sd.) K. GEORGE,
Chief Secretary to Government.

To

1. The Land Revenue and Income Tax Commissioner.
2. The Dewan Peishkars of Trivandrum, Quilon and Kottayam, and the Commissioner, Devicolam.
3. The President, Economic Depression Enquiry Committee.
4. The Gazette.
5. The Press Room.
6. The Account Officer.

GENERAL DISCUSSION ON THE BUDGET.

DEPUTY PRESIDENT: Now we will proceed to the general discussion of the Budget for 1107. Each member is allowed 20 minutes.

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): Sir, one is inclined to thank the Financial Secretary for the lengthy statement he has given us which also though out of place provides useful information on medicine and public health. But the prospect revealed by the statement is very gloomy and, under the circumstances, one is tempted to look back for the causes of this financial crisis which has caused so much gloom. Sir, criticisms offered from time to time by this side of the House actuated by the highest motives of common good and national advancement have been disregarded; warnings given in friendly and even respectful spirit have been unheeded; and suggestions calculated to contribute to a better understanding between the people and the Government on matters vitally affecting the finances of the State have been brushed aside. And the Government are functioning as if unmindful of the intensity of the feeling that has permeated even the illiterate masses that above all this Legislative Council is a show, another costly piece of ornamentation on the edifice of administration just as our Departments of Industry and Agriculture. Now the non-official members have been asking the Government to be more careful and economical in dealing with the funds of the State. Specific items of probable expenditure that the Government might be called upon to undertake in the immediate future consistent with the spirit of the times and also the improved outlook of affairs have been brought to their notice and also the minutest details of possible savings have been specifically pointed out. But the abnormal growth of expenditure under establishment, salaries and allowances, the retention, at a heavy cost, of departments condemned by

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